

NSC BRIEFING

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12 APRIL 1954

ANGLO-IRANIAN OIL DISPUTE

I. Three-Man Consortium Mission in Tehran

A. Iranian officials anxious for negotiations, government needs settlement. Opposition appears under control.

B. Henderson estimates six weeks to three months; may take longer.

II. Consortium Arrangements

A. AIOC, 40%; Standard of New Jersey, Standard of California, Texaco, Socony Vacuum and Gulf, 40%. Royal Dutch Shell, 14% and Compagnie Francaise des Petroles, 6%.

B. Consortium will pay AIOC \$1 billion if Iran pays compensation.

III. Consortium Attitude

A. Effective control over management, production and refining.

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- B. Control of all exportable oil. No financial or production guarantees.
- C. 50-50 split of profits. Iran to retain complete control of internal production and distributing facilities.
- D. Probably no oil for Iran to sell directly on world market.
- E. Long-term contract, perhaps 40 years.

IV. Difficulties

A.  
25X6

- B. Iran ready to advance counterclaims.
- C. Iranian officials lack knowledge of world oil picture.
- D. Majlis discussion will complicate talks.

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